

RECORDATION NO. 24647A FILED

OCT 09 '03

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SURFACE TRANSPORTATION BOARD

October 9, 2003

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Memorandum of Commercial Security Agreement, dated September 30, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Schedule #1 to Master Equipment Lease Agreement which is being filed with the Board under Recordation Number \_\_\_\_\_.

The names and addresses of the parties to the enclosed document are:

Lender: The Bank of Edwardsville  
330 West Vandalia  
Edwardsville, IL 62025

Grantor: Midwest Railcar Corporation  
3 Professional Park Drive, Suite B  
Maryville, IL 62062

A description of the railroad equipment covered by the enclosed document is:

12 gondola railcars: MWCX 100348 – MWCX 100359

Mr. Vernon A. Williams  
October 9, 2003  
Page Two

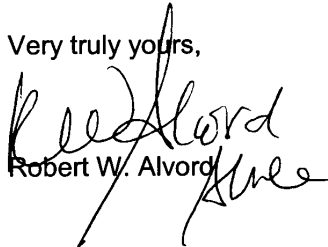
A short summary of the document to appear in the index follows:

Memorandum of Commercial Security Agreement

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

  
Robert W. Alvord

RWA/anr  
Enclosures

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT**

**BETWEEN**

**THE BANK OF EDWARDSVILLE  
("LENDER")**

**AND**

**MIDWEST RAILCAR CORPORATION  
("GRANTOR")**

**September 30, 2003**

Memorandum of Commercial Security Agreement made and entered into as of September 30, 2003, by and between The Bank of Edwardsville, an Illinois corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Grantor").

**W I T N E S S E T H:**

To secure all obligations of the Grantor under a certain Commercial Security Agreement dated as of September 30, 2003 (the "Security Agreement"), and that certain Promissory Note dated September 30, 2003, Grantor hereby assigns to Lender all of Grantor's rights, title and interest in, the railcars set forth and described on the Schedule of Railcars attached hereto (the railcars on the aforementioned Schedule of Railcars shall hereinafter be called the "Railcars"), as such Schedule of Railcars may be amended from time to time, and grants to Lender a first priority security interest in: (i) the Railcars; (ii) Grantor's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars owned or hereinafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Grantor on account of the lease, sale, loss or other disposition of the Railcars; (iv) that certain Schedule 1, dated September 5, 2003 which incorporates by reference that Full Service Lease Agreement dated effective September 5, 2003 by and between Grantor (as Lessor) and The Mercer Company (as Lessee), and any additional Equipment Riders and schedules thereto (together, the "Lease") and all bills of sales or other similar documents, agreements and instruments relating to the Railcars, and all other leases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Grantor's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Grantor including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (v) all rent, damages and other moneys from time to time payable to or receivable by Grantor under the Documentary Security (the Railcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Commercial Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Commercial Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

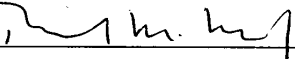
THE BANK OF EDWARDSVILLE, as Lender

By: 

Title: Vice President

Date: 9-30-03

MIDWEST RAILCAR CORPORATION,  
as Grantor

By: 

Title: President & CEO

Date: 9-26-03

STATE OF Illinois )  
 ) ss.  
COUNTY OF Madison )

On this 30 day of September 2003, before me personally appeared William D. Barlow, to me personally known, who being by me duly sworn, says that he is the Vice President of The Bank of Edwardsville, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

Sandra L Sachs  
NOTARY PUBLIC  
"OFFICIAL SEAL"  
SANDRA L. SACHS  
NOTARY PUBLIC - STATE OF ILLINOIS  
MADISON COUNTY, IL  
MY COMMISSION EXPIRES SEP 13, 2005

My commission expires: Sept. 13, 2005

STATE OF Minnesota )  
 ) ss.  
COUNTY OF Sherburne )

On this 26 day of September, 2003, before me personally appeared Richard M. Murphy III, to me personally known, who being by me duly sworn, says that he is the President & CEO of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

David L. Smith  
NOTARY PUBLIC

My commission expires: 1-31-06



## SCHEDULE OF RAILCARS

Twelve (12), 4,000 Cu ft. Thrall-built, flat bottom gondola railcars with the following marks and numbers:

	<u>Car Number</u>	<u>Prior Car Number</u>
1	MWCX100348	SATX001045
2	MWCX100349	SATX001071
3	MWCX100350	SATX001105
4	MWCX100351	SATX003039
5	MWCX100352	SATX003071
6	MWCX100353	SATX003098
7	MWCX100354	SATX004095
8	MWCX100355	SATX005031
9	MWCX100356	SATX005082
10	MWCX100357	SATX006074
11	MWCX100358	SATX006105
12	MWCX100359	SATX006108